

Conformity Requirements for State UC Laws

Equal Treatment For Employees of Governmental Entities and Nonprofit Organizations

Background

Section [3304\(a\)\(6\)\(A\)](#) of the Federal Unemployment Tax Act (FUTA) requires that compensation be payable to federal and nonprofit organization employees on the basis of service to which section [3309\(a\)\(1\)](#) applies, in the same amount, on the same terms, and subject to the same conditions as compensation payable on the basis of other service subject to state law.

Equal treatment means that all qualifying, benefit formula, eligibility, and disqualification provisions applicable to other claimants must apply equally to claimants whose benefits are based on employment with state and local governments, federally recognized Indian tribes, and certain nonprofit organizations. The equal treatment requirement does not call for absolute uniformity of treatment between governmental entities/nonprofit and the private sector employees. Some private sector employees may have different, more stringent, eligibility/disqualification requirements, and different benefit schedules, from other employees in the state so long as the employees of governmental entities/nonprofits are not receiving less favorable treatment compared to private sector employees. (For example, the state may have special requirements for employees of construction companies in recognition of the seasonal nature of the work.) Exceptions to the equal treatment requirement are found in Section [3304\(a\)\(6\)\(A\)\(i\)-\(vi\)](#) and are discussed under the heading “Educational Employees: The Between and Within Terms Denial Provisions.”

Frequently Asked Questions

1. What provisions are states required to have in their laws to meet the equal treatment requirement?

States are not required to have any specific provisions in their laws so long as the equal treatment requirement is applied in actual practice.

2. Does the equal treatment provision apply to Federal employees and ex-servicemembers?

Yes. A similar equal treatment provision applies to payment of UC for Federal employees and ex-servicemembers ([5 U.S.C. §8502](#)).

References

[Orange Book](#). Draft Legislation to Implement the Employment Security Amendments of 1970

[Green Book](#). Draft Language and Commentary to Implement the Unemployment Compensation Amendments of 1976 and Supplement 2.